



Lynn Donovan/MSB/Medicaid

02/09/2005 04:40 PM

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cc

bcc

Subject RE: Surveys of pharamcy dispensing and acquisition costs

Interesting to know how CA changed the reimbursement rate for their providers after the survey was completed.

----- Forwarded by Lynn Donovan/MSB/Medicaid on 02/09/2005 04:37 PM -----



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02/09/2005 02:08 PM

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Subject: RE: Surveys of pharamcy dispensing and acquisition costs

About a year ago, California conducted a survey on dispensing fee and acquisition costs. The Department concluded that a reasonable dispensing fee was \$7.25 and estimated acquisition cost was AWP -17%. As a result of this survey, California changed it's acquisition cost and dispensing fee from:

(AWP - 10%) + \$4.05

to

(AWP - 17%) + \$7.25.

Legislation from our W & I code looks like this:

14105.45. (a) For purposes of this section, the following definitions shall apply:

(4). "Estimated acquisition cost" means the department's best estimate of the price generally and currently paid by providers for a drug product sold by a particular manufacturer or principal labeler in a standard package.

(b) (1) Reimbursement to Medi-Cal pharmacy providers for legend and nonlegend drugs shall consist of the estimated acquisition cost of the drug plus a professional fee for dispensing. The professional fee shall be seven dollars and twenty-five cents (\$7.25) per dispensed prescription. The professional fee for legend drugs dispensed to a beneficiary residing in a skilled nursing facility or intermediate care facility shall be eight dollars (\$8) per dispensed prescription. For purposes of this paragraph "skilled nursing facility" and "intermediate care facility" shall have the same meaning as defined in Division 5 (commencing with Section 70001) of Title 22 of the California Code of Regulations.

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-----Original Message-----

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Subject: Surveys of pharamcy dispensing and acquisition costs
Importance: High

Hi,

A brief questionnaire:

1. Have you recently conducted a cost of dispensing survey?
2. Have you recently (or ever) conducted a survey to better estimate what pharmacies actually pay for drugs? (i.e. - like the OIG surveys of a couple of years ago)?

If the answer is yes for either of the above, do you have any statutory language you can share with me?

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